



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 731 SLS 10RS 1820

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date:	May 23, 2010	8:48 AM	Author:	CHAISSON
Dept./Agy.:	Justice		Analyst:	Evelyn McWilliams
Subject:	Contingency Fee Contracts			

ATTORNEYS

EG SEE FISC NOTE GF EX

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Authorizes the attorney general to enter into certain contingency fee contracts. (8/15/10)

Authorizes the attorney general to enter into certain contingency fee contracts with the approval of the Litigation Subcommittee of the Joint Legislative Committee on the Budget. Requires the attorney general to retain legal authority to control the litigation subject to such contracts, including the authority to settle or voluntarily dismiss the case. Requires the contracting attorney/law firm to report monthly on expenses relative to contingency contract and to permit the legislative auditor and attorney general to inspect these documents. Requires all payments of contingency fees to be placed on the attorney general’s web site within 15 days of payment, and requires copies of contracts and written determinations to be placed on the attorney general’s web site within 5 days of the execution of the contract. All documents shall remain on the web site for 3 years after termination of the contract. Requires contingency fees to be paid out of sums recovered by the contracting attorney/law firm. Prohibits the attorney general from entering into a contingency fee contract in excess of certain limits. Legislation applicable to contracts entered into subsequent to March 29, 2010.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The department indicates that it does not anticipate any increase in expenditures as a result of the proposed legislation. If enacted the attorney general’s office will be required to monitor contingency fee contracts for accuracy relating to the performance of the contract. The attorney general will provide for the monitoring with its existing resources.

Contingency fee and reasonable costs and expenses incurred in the prosecution of the claim are to be paid from sums the private attorney/law firm recovers for the state. The legislation requires the contracting attorney/law firm to submit affidavits of correctness to the court for reimbursement of all reasonable costs and expenses.

REVENUE EXPLANATION

An indeterminable increase in state general fund revenue may result to the extent that contingency fee contracts are successful in the settlement of legal issues to the benefit of the state. Any proceeds recovered would be reduced based on the allowable distribution of the contingency fee for the attorney/law firm assigned that particular case. Neither the Legislative Fiscal Office nor the attorney general’s office is able to anticipate the revenue that may result from contingency fee contracts.

Senate

Dual Referral Rules

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

☐ 6.8(F) >= \$100,000 Annual SGF Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Hosse

LFO Staff Director